

Most of the publicity given to Lyndon LaRouche and his followers concerns their political activities: first, the rising share of votes won by LaRouche candidates in primaries across the nation in recent years, topped by their recent upset victory in the Illinois gubernatorial primaries; and second, specific elements of LaRouche's right-wing social philosophy, above all his anti-Semitism, his contributions to the Reagan administration's Star Wars strategy, and his neo-fascism.

Much less attention has been paid to how the LaRouche operation finances itself. In view of the fact that LaRouche candidates remain an isolated political fringe, is it reasonable to accept their statistics showing \$20 million per year in bona fide political contributions and literature sales? Or are other, hitherto concealed sources of revenue being tapped?

During the past year another aspect of LaRouche activities has become apparent: a nationwide, carefully planned and deliberately constructed criminal operation engaged in credit-card fraud and securities fraud. LaRouche has managed to avoid prosecution despite a stalled FBI investigation in Boston and a number of racketeer suits. The ability of LaRouche operations to continue in spite of these accusations is due largely to a refusal to comply with court orders for discovery, to legal harassment and various forms of intimidating prosecutors, ^{and} plaintiffs, and to what LaRouche supporters claim to be support from the Reagan administration.

The proposed function of LaRouche Watch is to report the court litigation and discovery processes each month, concentrating on the financial frauds which now appear to be central to the LaRouche operation. In fact, it is beginning to seem that LaRouche's proclaimed political ideology is secondary, a diversion intended to enable LaRouche to hide behind first-amendment smokescreens by claiming that his prosecutors and financial victims -- which include banks, lawyers, accountants and economists as well as the elderly -- are politically motivated agents of Soviet influence, and so forth.

LaRouche's political cover also has succeeded in achieving tax-exempt status for his illicit revenues. Indeed, laundering these funds through his political front organizations has even been used to obtain federal matching funds in presidential election years. In sum, a scam of almost unprecedented magnitude is being perpetrated.

The scam is highly sophisticated. It involves the creation (and sometimes, folding) of numerous interlocking corporate shells, including non-profit ones and an elaborate nonincorporated (and hence judgment-proof) political network which, to date, has deterred prosecution partly by its complexity. The best-documented aspects of this operation concern the credit-card fraud documented by the First Fidelity Bank of New Jersey in its racketeering (RICO) suit, and by the parallel FBI investigation being conducted in Boston. In addition, state securities commissions in New York, California, Illinois, Washington and Alaska have moved to bar LaRouche organizations from issuing securities, and the New York investigation has shown a pattern of securities fraud sufficiently wide to warrant felony indictments. Civil court cases have been brought by defrauded investors in many states, and reveal a detailed picture of the modus operandi of the LaRouche network operates. ^{show}

Profile of the LaRouche crime operation, its aims and corporate shells

Lyndon LaRouche has called himself a businessman and the world's greatest economist. His corporate fronts, non-profit foundations and political shells presently generate \$400,000 per week, \$20 million a year. For a number of years this revenue ostensibly has derived from political contributions and sale of political writings. Most of this revenue is tax-exempt, either because the profit-making business shells are run at a loss, or because the net income is channeled through a series of non-profit entities.

Recently, a series of lawsuits and prosecutions have described another source of revenues: credit-card fraud, the sale of unregistered securities and refusal to repay financial obligations in general. The magnitude of these operations, running into many millions of dollars, suggests that the political operation is merely a front to position LaRouche enterprises to conduct numerous scam operations.

LaRouche and his spokesmen insist that all such charges are the work of political enemies, and that plaintiffs across the country have brought charges of financial fraud, harassment, slander and criminal misbehavior for ingenuine reasons. LaRouche also has testified that he does not know who pays for his food, or where the money comes from to pay for his housing, travel, bodyguards or lawyers. Although judgments have been won against him (most notably by NBC), he thus appears judgment-proof.

Above all, LaRouche has become a living attack on the principle of unregulated "free enterprise," a principle which he spent many decades attacking during his years in the Trotskyist and other left-wing movements. He has engaged in illicit activities which have defrauded literally thousands of persons, and denounced all attempts by federal regulatory agencies and local law-enforcement officials to bring him to justice. It is almost as if he has made a parody of capitalism, and then proceeded to live it out in a series of scams ingenious in their unprecedented cynicism and gall.

LaRouche's first step was to create a complex panoply of interlocking corporate shells. This enables funds to be laundered -- business and tax-exempt funds to be intermixed, and a complex trail of paper strewn in the way of anyone seeking to pierce the corporate shell of the LaRouche operation. It also enables any given element of the overall complex to be folded once it had served its purpose or become burden with judgments. (The Computron bankruptcy of 1981 is a case in point.)

The elements in this complex include the New Benjamin Franklin Publishing House, Campaigner Publications (publishing), The New Solidarity International Press Service, World Composition Services (a printing company), and at least one financial "dummy" entity to allocate receipts and expenditures (Publication and General Management, Inc.). There is an ostensible art-investment advisory service (Pepper Fine Arts, Inc.). In addition, there are numerous non-profit foundations: Fusion Energy Foundation, The Schiller Institute and the Club of Life. Finally, there are political front organizations: The International and National Caucus of Labor Committees, the National Democratic Policy Committee, the LaRouche Democratic Committee, Independent Democrats for LaRouche, and The LaRouche Campaign. A computer company, Computron, declared bankruptcy in 1981 after it had run up large debts to banks and investors during the 1980 presidential campaign.

The assets of any one of these entities can be stripped rapidly by their sister companies in the case of a threatened bankruptcy, lawsuit or criminal prosecution. Thus, just prior to its bankruptcy, Computron borrowed from a bank to purchase fine art, transferred the art to Pepper Fine Arts (run by Stephen Pepper, who was head of Businessmen for LaRouche in the 1980 campaign), and discounted the IOU as a normal business receivable. Computron then refused to pay the lending bank the balance due, and the LaRouche lawyers succeeded in delaying judgment for an excessively long period. Other Computron revenues were "expensed" by hiring other LaRouche entities, which like Computron were busy supporting the 1980 LaRouche political campaign.

The ongoing political campaign is the second layer in the LaRouche conspiracy. Individual companies have been able to avoid paying taxes on what would have been net revenues by adding to their payroll seemingly political workers (ranging from members of the National Executive Committee, NEC, which coordinates the LaRouche boiler-room operation, down to the operatives who man the telephones calling around the country to raise money). The books published by Franklin House, for instance, are distributed through the LaRouche political network, most visibly in the card tables set up at airports. Thus, when plaintiffs have won judgments against the LaRouche political arms, the latter claim that all money is due to the corporate entities; on the other hand, when the latter are called on to pay out money, they say that all revenue is collected by the political arms through which their output is sold. In this way the complex LaRouche network has been able to stymie efforts to collect on court judgments.

The political campaign serves to cover a sophisticated financial fraud by presenting this financial scam to the world as a bona fide political movement. Victims or law-enforcement agencies moving against any given element of the LaRouche operation are accused of political motivated prosecution, and even of interfering with LaRouche's right to free speech. In this respect one might call LaRouche the Milton Friedman of politics and scams.

In addition to expensing would-be corporate profits on political activities which the corporate shells are not ostensibly designed to perform, profits from the LaRouche operation are channeled through a panoply of tax-exempt institutions, as well as the political campaign itself. This tax-exempt scam is the third element in the LaRouche scheme.

LaRouche even has managed to obtain federal matching funds on his fraudulently obtained revenues. The matching-fund scam involves taking all moneys begged, earned or borrowed and "contributing" them through dummy contributors (either anonymously or by using false names) to the LaRouche presidential campaigns of 1980 and 1984. This enables fraudulently obtained funds to be doubled. In fact,

matching as soon as funds were obtained from the Federal Elections Commission, they were re-contributed and thereby quadrupled and octupled. The process was quite simple: The seemingly political arms of the LaRouche campaign would contract for new printing, publications, design, distribution and related political device from individual LaRouche the corporations, which in turn would recontribute their revenues to the presidential campaign. This "matching fund" scam represents the fourth element in the LaRouche strategy.

In any criminal initiative, it is important to achieve as much anonymity as possible. If criminal activities are discovered, it is necessary to limit the public awareness of such discovery. If prosecuted, it is necessary to bring whatever political pressure one can on the justice system so as to minimize punishment. These maxims of criminal behavior have not gone unheeded by the LaRouche operation. Newspaper and television reporters who have described the LaRouche operation have been harassed through libel suits. Although LaRouche has lost these nuisance suits, they have imposed heavy legal expenses on the media. The money required to pay for legal defenses of slander and defamation is so large in magnitude that newspapers, radio and television stations are hesitating to include reports on LaRouche activities, except for the public relations handouts provided by the LaRouche organization itself. Some reporters have been able to obtain pro bono council. Dennis King and Kalif Pehme of Our Town in New York City won the right in court to call LaRouche a Nazi and neo-fascist. Other reporters and news media have not been as fortunate. Although they have won their cases, the experience has silenced them, and also troubled other publications contemplating running an unfriendly report on the LaRouche organization.

The major such suit to date has been the libel suit against NBC. The latter not only was judged not guilty, but was awarded a multi-million settlement for damages in compensation for harassment and other interference from LaRouche entities. This award subsequently was reduced on appeal to \$200,000, and even so, not a penny has been collected so far, because it was against LaRouche shells, not

against those elements of the LaRouche corporate network through which real money is channeled and which hold tangible financial assets. In order to collect, NBC must demonstrate that all the LaRouche entities are really LaRouche's alter egos and alter egos of each other. This is also the task which First Financial Bank of New Jersey has set for itself in its RICO suit brought against the LaRouche entities for credit card fraud.

In addition to legal harassment, LaRouche has used both more covert and sinister methods to silence opposition or exposure of his operations. Public figures, prosecutors or even investors who have sought to expose his operation or sue for return of their money have been accused of being Communists, KGB agents, homosexuals, oligarchs, drug promoters and others. In addition to making these accusations in the LaRouche newspaper New Solidarity, LaRouche operatives have been active in leafleting offices of targeted individuals and firms. Followers of LaRouche are trained in the politics and dirty tricks of hate, and this is in fact part of the brainwashing operation conducted on new recruits.

LaRouche also has sought to manipulate court decisions. One of his well publicized fantasies has been to put together something akin to the fabled blackmail files of J. Edgar Hoover. In fact, shortly after Roy Cohn's recent death, the LaRouche newspaper hinted darkly that it had obtained Cohn's files from a political ally, thereby achieving an ability to silence judges or prosecutors who might have something in their background or life-style to hide. While such LaRouche claims probably are no more than hot air, it is significant that the intention is there to wield such power if and when it becomes available, and to actively seek to create the equivalent of such files by the intelligence activities which LaRouche engages in.

Finally, physical violence has been used or threatened when the above strategems have failed. From almost the beginning of LaRouche's organizational efforts, this violence has been directed against financial or political opponents.

How LaRouche so far has avoided discovery, publicity and prosecution

One of the most sinister aspects of the LaRouche operation is that although the magnitude of his credit-card frauds, unregistered sale of securities and subsequent refusal to repay, and other illegitimate activities have been growing for more than a decade, he has been able to avoid all prosecution. Partly, this has been a result of the ability of his lawyers to delay court activities, In the FBI investigation being conducted in Boston, LaRouche operatives have refused to respond to ^bsupoenas, refused to testify and resorted to other delaying tactics which have successfully held up the justice system. In addition, private litigants have claimed that the battery of LaRouche lawyers has delayed normal court processes. But beyond these delaying tactics there is another force -- what seems to be a utter lack of concern on the part of many federal agencies which might normally be expected to get involved, at least if LaRouche were viewed as not a friendly political figure.

As noted above, LaRouche's first line of defense has been the complexity of his operation: He has engineered his corporate environment by creating a large grouping of corporate shells. This has positioned him to be judgment-proof by folding any given corporation against which a court award is handed down. It also has made discovery of just what has happened to the funds in question a very difficult process. **Successful plaintiffs or prosecutors thus may find themselves with financial claims against entities whose assets have been emptied**

The second line of defense, also as noted above, has been to intimidate the press, media and prosecutors by the threat of expensive slander suits or counter-suits, and by the LaRouche entities themselves resorting to the crudest forms of Guilt by association is a favorite device. ~~slander.~~ Thus, banks which have frozen LaRouche assets have been accused of being "drug banks," on the logic that some of their depositors may have gained their deposits through illicit activities. This kind of legalistic belligerence towards everyone who has a less than congratulatory word to say about LaRouche was pioneered by other cults, most notably Scientology and Synonon. The upshot has been that it is easier for news media and politicians to ignore than to mention LaRouche.

A third line of defense has been to build up a network of support within the federal government itself, and especially within the Reagan White House. Part of the story has been told by Dennis King in his New Republic article of

LaRouche and his wife Helga met with Bobby Inman in 198 , and lower-level LaRouche operatives have had ongoing discussions with the U.S. intelligence community. Whatever links have been formed, they seem to have obtained at least some personal support. To date, the International Revenue Service has taken no action against the LaRouche entities, despite the visibly illicit activities engaged in by the Fusion Energy Foundation, flagship of the LaRouche non-profit entities. Outside of Boston, the FBI has been as inactive as the Securities and Exchange Commission and other seemingly relevant federal regulatory or judicial bodies.

There are suggestions that a major reason for LaRouche's ability to avoid federal prosecution has been for the benefits he has provided to the Republican Party, either by explicit agreement or simply by virtue of the de facto effects of his political operation. By running as a Democrat in the primaries, LaRouche candidates have split the vote and thereby disrupted the normal political process. The Illinois upset last spring was the most notable achievement to date, and may have handed that state over to an erstwhile unpopular Republican governor by splitting the Democratic ticket between pro- and anti-LaRouche candidates.

In races throughout the country, LaRouche candidates have smeared their Democratic opponents on so low a level that, if Republican candidates had ventured to do this, it might well have backfired. Just before the 1984 elections, for instance, LaRouche went on television ostensibly as a Democrat for Reagan, warning the country that Walter Mondale was a Soviet agent. Local Democratic candidates face similar charges of being soft on communism, homosexuality, defense and so forth.

Perhaps the most important link between LaRouche organizations and Washington is in the area of foreign intelligence. LaRouche and his followers have bragged that they provide vital intelligence to various U.S. agencies both at home and

abroad. The specific nature of this intelligence is not entirely clear. From what is known, it seems that LaRouche's overseas network of "reporters" and allied political operatives are busy interviewing a wide variety of public officials and politicians, bankers and economists, middle-management personnel, scientists and other individuals who talk more freely to interviewers whom they believe to be bona fide reporters than they would to persons suspected of direct or covert CIA involvement. The pages of Executive Intelligence Review and New Solidarity are filled with interviews and statements by foreign politicians, bankers et al. concerning their thoughts on U.S. and Soviet relations, debt repudiation and other policies and proposals in which the U.S. government is interested. LaRouche organizations are thus in a position to provide ideological profiles of many foreigners as well as domestic U.S. residents to ^{the} U.S. intelligence community.

Suggestions have been made that a tacit understanding has been reached between the U.S. Government and the LaRouche operation: Domestic U.S. agencies may simply look the other way when attempts are made to bring LaRouche to justice for his various illicit and illegal activities. If this is indeed the case, it opens the way for much more serious crimes to be perpetrated than mere credit-card and securities fraud.

LaRouche's Credit Card Scam

The First Fidelity Case

Criminal misuse of credit cards began almost as soon as the cards were first introduced. The crudest and most obvious crime is direct theft: Until the cardholder reports the loss, thieves can charge as much as they are able. The payoff is usually in merchandise or meals, not money. Less frequent is fraud by storeowners or other vendors who falsify the amounts in question. The major deterrent against such abuse is the fact that most businesses are fixed in location, and hence easily apprehended. Also, the usual practice of cardholders physically signing for each purchase or charge acts as a constraint: Forgery is a white-collar crime for which juries are willing to hand down criminal convictions.

Phone-in businesses may enjoy an edge: It is an accepted fact that theater and products advertised on TV tickets are bought, and pledges made to fundraising events, by cardholders phoning in their card numbers without having to sign any documents. Perception of this opportunity underlies the nationwide fraud planned and elaborated over a number of years by the LaRouche network of seemingly autonomous business corporations, non-profit institutions and political fronts.

FBI investigations into LaRouche's credit-card fraud were instituted in the autumn of 1984, but the greatest public details revealed to date are available from the racketeering (RICO) suit filed on July 28, 1986 by First Fidelity Bank of New Jersey (Docket #86-2938[AJL]). The court papers describe how two LaRouche political front organizations -- the Independent Democrats for LaRouche and the LaRouche Campaign -- opened merchant accounts in January 1984 to clear Master Charge and Visa credit card receipts through First Fidelity. The agreements were signed by Elliot Greenspan (jailed in Boston in October 1985 for refusing to comply with a subpoena from the federal Grand Jury), and Phillip Rubenstein (who ran for office in New York in 1984). These two individuals acted as coordinators and supervisors of LaRouche's 1984 fundraising activities.

During a ten-month period extending from January to October 1984, these two organizations mailed in credit-card bills and collected money from their accounts at First Fidelity. It was not long before the bank became aware of serious problems. Complaints soon began to pour in from cardholders asserting that "the charges were totally unauthorized; or were authorized but in amounts lower than those charged; or were induced by unfilled promises to promptly repay the funds loaned." Suspicions of large-scale fraud were confirmed on November 1, 1984, when FBI officials informed the bank that the fundraising practices of Independent Democrats for LaRouche and The LaRouche Campaign were being questioned, and that the bank's records regarding these organizations' accounts would be subpoenaed as part of the Boston investigation. That same day First Fidelity closed their ^{credit-card} accounts, and transferred from the LaRouche bank account the sum of \$200,000 to a "suspense liability" escrow fund "as and for a reserve to pay chargebacks as of that time unknown, but which were anticipated to be substantial," that is, to cover what the bank expected to be cardholder claims for reimbursement of unauthorized charges.

Two of the hallmarks of the LaRouche organization have been its litigious and slanderous publicity practices directed against its financial victims and political opponents who have sought to bring LaRouche practices to public light. Not only did LaRouche's political organizations sue First Fidelity to recover the \$200,000 set aside, they also opened a publicity campaign accusing the bank of being crime-related -- partly on the logic that some of its depositors had earned their funds in illicit ways such as by drug-dealing.

Meanwhile, as part of its own defense the bank was obliged to investigate just what had been going on between January and November 1984. It soon established that the LaRouche scam typically originated with the sale of publications at the card tables which LaRouche organizations maintain at major airports and other public places. Prospective purchasers of Executive Intelligence Review (LaRouche's weekly magazine) or books published by the New Benjamin Franklin Publishing House were encouraged to make their purchases by credit cards. Persons who signed an electoral petition or

requested literature were phoned repeatedly, sometimes on numerous occasions on a single day, by LaRouche fundraisers. Some individuals agreed to lend money in exchange for promises that they would soon be repaid or would receive attractive interest rates. Some people subscribed to LaRouche publications. Once a purchase or loan was made, the LaRouche fundraisers would phone in the individual's card number to a boilerroom operation designed to raise money for the overall LaRouche operation. A worker would decide on a campaign contribution which might either go unnoticed by the cardholder or would clear out the latter's account, and would then phone the National Data Corporation to verify how much could be charged. A fairly high contribution often was pledged, giving leeway for subsequent manoeuvring. As First Fidelity describes the racket, "when told that the requested charges would exceed a cardholder's credit limit, defendants called back requesting a lower charge, and repeated this process until the cardholder's credit limit was determined."

When First Fidelity began to notify the LaRouche political arms that substantial chargebacks were being made, campaign officials tried to brazen things out: They "further compounded and aggravated the [original] fraud, and attempted to conceal same, by publicly professing . . . that they had 'investigated' such charges of credit card fraud, and had found them to be wholly false in that they were results of an attempted 'sting operation' by undisclosed political adversaries in conjunction with governmental agencies to sabotage their activities in the course of which, among other things, legitimate contributors or lenders had been coerced into disavowing their credit card slips."

No doubt the LaRouche organization knew that it would have to relinquish the money ultimately, but hoped to use it for as long as possible. Not only was the money interest-free under the usual credit-card agreements it had signed with First Fidelity, but the pretended "campaign contributions" were reported to the Federal Election Commission (FEC) and doubled by obtaining federal matching funds. As First Fidelity sums matters up: "The LaRouche Campaign and Independent Democrats for

LaRouche received interest-free use of the Bank's funds, credited to their accounts, represented by these fraudulent credit card slips. The fraud, deceit, and deception practiced by defendants upon the Bank were part of a plan, ^hsc_heme and conspiracy by and among the defendants, and each of them, to obtain use of the Bank's funds upon the false pretenses that such credit card deposits were valid, legitimate and represented bona fide contributions, when in fact the same were known to be invalid, illegitimate and intended only to create the false appearance of bona fide deposits to the accounts."

If matters are so blatant, why did the LaRouche political arms have the gall to sue First Fidelity? In the first place, the LaRouche strategy has been to intimidate financial victims by threatening extremely high court costs if attempts are made to recover the funds lost. On balance, First Fidelity might have found it easier and cheaper to simply walk away with its \$200,000 in losses than to wage a defensive law suit. The LaRouche political arms for their part appeared to enjoy a no-lose situation: If the bank won a judgment, they could simply be folded. Being mere shells they had no assets to grab. If the bank somehow lost its case and had to pay these organizations all or part of the \$200,000 it had frozen, the money could be disbursed to other parts of the overall LaRouche operation.

Recognizing that credit-card fraud was part of a scheme involving virtually all parts of the LaRouche operation, First Fidelity sought to pierce the corporate shell as a whole. The bank's own investigation discovered that "All funds generated by the LaRouche organizations, including those generated through contributions, loans, or commercial or business functions, are used for common infrastructure, facilities and for other common purposes. Financial distinctions between and among organizations are disregarded, and funds are commingled and/or transferred among organizations, and between organizations and individual LaRouche adherents, in attempts to 'launder' funds in order to secrete and obfuscate the sources and uses thereof." The individual elements of the overall operation included ostensibly autonomous business firms involved in publishing and printing --New Benjamin Franklin House Publishing Company, Inc,

World Composition Services, PMR Printing Company, and Grand Design Production; news services and related media -- Campaigner Publications, New Solidarity International Press Service, Inc., Caucus Distributors, Inc., and Publication and General Management, Inc.; non-profit foundations -- the Fusion Energy Foundation and the Schiller Institute; and Pepper Fine Arts. Finally, there were various political front organizations which laundered much of the LaRouche money and sought to double it by filing for FEC matching funds in the 1984 presidential primaries -- Independent Democrats for LaRouche, The LaRouche Campaign, The LaRouche Democratic Committee National Caucus of Labor Committees, International Caucus of Labor Committees.

The latter organizations are unincorporated entities, and hence are ^{virtually} judgment-free. Therefore, First Fidelity also charged their leading officials as individual defendants in its RICO suit. In particular it singled out the leading members of LaRouche's National Executive Committee: "Each defendant NEC member, at or through daily briefings, was informed of the tally of moneys being fraudulently raised by the LaRouche organizations." Finally, behind the entire maze of corporate shells and front organizations, stood Lyndon LaRouche ^{who,} himself ~~through~~ the organizational structure described above, and his domination and control of the National Executive Committee and all LaRouche organizations, controlled, directed, approved, incited, aided, abetted and conspired to commit the fraudulent and criminal acts set forth in this complaint."

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First Fidelity's law suit poses some interesting questions. As any good corporate conglomerate manager knows, earning revenue is only half the job, the remaining task is to decide just where to allocate the profits so as to minimize tax liability. LaRouche's non-profit organizations play a key role in this tax-evasion process. To the extent that a net surplus is generated either by bona fide corporate operations or by financial fraud, it is channeled through the Fusion Energy Foundation, the Schiller Institute or the political arms. In fact, LaRouche has taken an ingenious step further than most tax-evasion schemes by linking his corporate and non-profit institutions to the 1984 presidential campaign. His inten-

tion -- successful, as events turned out -- was to obtain federal matching funds. Thus, LaRouche's net income not only was tax-free, it was doubled by fraudulently reporting it in the form of campaign contributions. In fact, it could be doubled again by the LaRouche campaign hiring pseudo-services from its printing and allied corporate shells, and having the latter "donate" their income all over again to the political campaign. This became an ingenious extension on what the French Physiocrat Francois Quesnay and subsequent economists have called the circular flow.

The opportunity to obtain federal matching funds explains why the LaRouche campaign was so eager to claim credit-card money even though it knew that most of their overcharges ultimately would have to be repaid to First Fidelity. What was at stake was not merely an interest-free loan, it was money that could be used during the 1984 presidential primaries as the basis for doubling itself. As long as the LaRouche organization could evade punishment by the Federal Election Commission, it could repay the credit-card chargebacks at 50 cents on the dollar, in effect.

¶ The fact that it managed to defeat an FEC inquiry is another story, to be told elsewhere. Suffice it to say that running for public office has proven highly profitable for LaRouche, and will continue to be so as long as federal regulatory agencies look the other way. LaRouche's strategy from this point on would seem to be to get the Reagan administration to play along with the pretense that his campaign contributions are bona fide, and that the purpose of his operation is really to carry out a political philosophy (cockeyed as it is) rather than simply to earn money and use the political campaign as a wedge to build up a fraudulent criminal empire. Ultimately, what the First Fidelity RICO suit has opened up is not only election campaign fraud, but income-tax fraud, securities fraud and financial fraud of a directly criminal nature. One therefore looks to the Boston FBI investigation and to the New York Attorney General's investigation for the next installments in the LaRouche saga.